S. HRG. 98-1058

AGRICULTURAL ACTIVITIES IN POLAND

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

S. 3000

A BILL TO AUTHORIZE THE PROVISION OF FOREIGN ASSISTANCE FOR AGRICULTURAL ACTIVITIES IN POLAND

SEPTEMBER 20, 1984

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AGRICULTURAL ACTIVITIES IN POLAND

THURSDAY, SEPTEMBER 20, 1984

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 2:20 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Charles H. Percy (chairman of the committee) presiding.

Present: Senators Percy and Dodd.

The CHAIRMAN. Today the Foreign Relations Committee meets to hear from administration and public witnesses on S. 3000, a bill I introduced on Tuesday which would authorize a $10 million U.S. contribution for a pilot project of Western assistance to private agriculture in Poland through the church there.

Americans have not forgotten the suffering of our Polish friends. I find fresh evidence of that as I travel around Illinois.

But until now, although so many have given generously to private Polish relief efforts of food, clothing, medicines, and money, we have been hard put to know what to do that might help the underlying problems of the Polish economy. Americans have welcomed the recent amnesty for political prisoners, but Solidarity remains repressed, and Americans have not wanted to shore up the discredited Polish Government and party that manages the repression of their relatives and friends in Poland.

Now, the wise and practical Polish church has devised a plan to get Western assistance directly to the family farms of Poland in ways that will help private agriculture there, increase food supplies, and strengthen the role of the church in the Polish countryside. Poland is the only country in Eastern Europe where 75 percent of the farms remain in private hands. The program would make available supplies and services not now sufficiently available in Poland and for which the Poles do not have enough hard currency to import.

This assistance program is to be administered by a private foundation to be established and controlled by the Polish church. The Polish Government would not be represented on any of the foundation's governing bodies. A counterpart foundation will be set up in Brussels to coordinate Western assistance and to purchase equipment and supplies for shipment to the foundation in Poland. No hard currency will enter Poland. The imported goods will be sold to private farms at fair market prices for zlotys. Zlotys thus earned will finance the foundation's administrative costs in Poland and some rural infrastructure improvements.

The Polish church has been working for over 18 months to set up this project. Many of you will remember hearing it discussed at the time of Pope John Paul II's visit to Poland in June 1983. Subsequently, the Polish Parliament passed a law allowing the establishment of charitable private foundations for the first time in postwar Poland. Negotiations on a separate statute governing the specific church-affiliated agricultural foundation are nearly nailed down, and the formal establishment of this foundation is expected this fall.

Drawing on a 1982 Rockefeller Foundation report, Polish and German specialists have identified key links in Polish agriculture which would benefit from Western assistance. These range from milk handling to village water and sewerage, to local machine repair shops and tire replacement or repair.

In order to test the competence and autonomy of the foundation and the worth of the proposed agricultural assistance projects, the church plans a pilot project of about $28 million running through at least 1985.

If the pilot project is successful, the program would be expanded and would run through 1990.

Last month President Reagan announced a U.S. contribution of $10 million to the pilot project phase. The Polish church is now soliciting contributions from other governments in Western Europe and from church and other private groups in Europe and North America.

S. 3000 would authorize $10 million for the U.S. contribution to the pilot project.

The committee is grateful to witnesses for appearing on short notice so that we can try to get this money authorized and appropriated during the remainder of this session of Congress.

Certainly, I cannot recall having put a bill in on a Tuesday and having a hearing on it on Thursday, and then sending it to the floor and asking for its immediate consideration. But we will do that because the deadline for our adjournment is fast approaching, and if we are to have consideration of this bill, we must report it out of the committee favorably, and we certainly will do that.

[Text of S. 3000 follows:]

II

Calendar No. 1225

98TH CONGRESS
2D SESSION

S. 3000

To authorize the provision of foreign assistance for agricultural activities in Poland.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 18 (legislative day, SEPTEMBER 17), 1984

Mr. PERCY (for himself, Mr. PELL, Mr. BOSCHWITZ, Mr. DOLE, Mr. DODD, Mr. SARBANES, and Mr. MURKOWSKI) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

SEPTEMBER 25 (legislative day, SEPTEMBER 24), 1984

Reported by Mr. BAKER (for Mr. PERCY), without amendment

A BILL

To authorize the provision of foreign assistance for agricultural activities in Poland.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, up to $10,000,000 of the amount made available to carry out the purposes of chapter 4 of part II of the Foreign Assistance Act of 1961 may be made available for agricultural activities

in Poland which are managed by the Polish Catholic Church or other nongovernmental organizations.

The CHAIRMAN. We will first hear from the administration. I will not say our old friend, but our young friend of long standing from Congress, Ed Derwinski, is now counselor to the Department of State.

I understand that you delayed a trip out of town today so that you could do this personally, and we are particularly grateful for your so doing.

Then we will proceed to our public witnesses.

STATEMENT OF HON. EDWARD J. DERWINSKI, COUNSELOR OF THE DEPARTMENT OF STATE

Mr. DERWINSKI. Thank you, Mr. Chairman.

I would ask your permission to insert my full statement into the record.

The CHAIRMAN. Without objection it will be inserted in the record.

Mr. DERWINSKI. Actually, with your explanation of the measure, you stole some of the best lines of my testimony. I will just paraphrase my statement.

I also should add, since we are speaking of old friends, that I am sure my old friend Senator Dodd never looked ahead to think he would see the day when he would find me in the company of a bishop. But those things do happen in good causes.

Senator DODD. Oh, but I always thought you were a bishop. [General laughter.]

Mr. DERWINSKI. Mr. Chairman and members of the committee, I am pleased to be here today to provide the administration's views on this bill to authorize a U.S. Government contribution to the Polish Catholic Church plan to aid private farmers in Poland. As you know, the President has announced his support for a U.S. contribution to the pilot phase of this very creative and worthwhile endeavor. The administration would welcome the authority embodied in this bill. We believe that the church's program offers an unusual opportunity to help Polish farmers help themselves and thereby to strengthen the private agricultural sector in the country.

As you know, Mr. Chairman, the effort to collectivize agriculture in Poland failed, and over 75 percent of farmland in Poland is privately owned. The family farm has demonstrated that it is the most efficient and productive vehicle for farm production. Nevertheless, government pressures for collectivization continue. Private farmers tend to be last in line to obtain important agricultural machinery and implements and other assistance.

Therefore, the idea of a church-sponsored program to assist and strengthen Polish farmers is practical and would serve the needs of the Polish citizenry.

This program will be administered within Poland by a private foundation established and controlled by the Polish Catholic Church. This foundation will be directed by a board of independent lay persons. The Polish Government will not be represented on any of the foundation's governing bodies.

One or more counterpart private organizations will be set up in the West to accept financial contributions from Western donors.

The money collected will be used to purchase equipment and supplies in the West for the projects that the church has devised. No hard currency will enter Poland through this program, only equipment and supplies.

The church foundation will control the entry of goods into Poland, and all imported goods will remain the property of the foundation until sold. The foundation alone will select its customers. The foundation representatives, in cooperation with local parish priests, will make sure that the equipment and supplies go to the persons intended. Moreover, if at any time the autonomy of the foundation were threatened by governmental interference, the church could suspend or terminate the program.

After extended negotiations between the Polish Government and the church, the Polish Parliament passed a law this past April which permits the establishment of autonomous, private foundations, and this is a first in postwar Poland. This legislation, Mr. Chairman, is unique among Warsaw Pact countries. In principle, the government retains certain authority to oversee such foundations, but the church believes that its foundation will be able to operate satisfactorily. Negotiations between the church and government on implementing regulations specifically to govern the church-affiliated foundation are nearing conclusion.

The Polish church has sent several missions to Europe, Canada, and the United States over the past year to explain the program and to encourage contributions from churches, governments, and private foundations. The government and the Episcopate of the Catholic Church in the Federal Republic of Germany have been key supporters of the program in Western Europe. In the United States, the National Conference of Catholic Bishops has been active in generating support.

In meetings with Polish church officials, we in the administration have made clear that the possibility of a U.S. Government contribution to the pilot phase of their project would depend on a number of factors. These factors include passage of the necessary laws and regulations to ensure sufficient autonomy for the foundation, the development of sound agricultural projects, and the willingness of others to contribute. Based on our examination of the Polish legislation covering the church-affiliated foundation and our analysis of the pilot projects, President Reagan announced on August 17 his intention to seek support for a U.S. Government contribution of $10 million to the pilot phase of the program.

The administration sees the pilot phase as a test, not only of the Polish Government's willingness to let the church foundation function as it should, but also the foundation's competence and the practicality of the projects themselves. The U.S. Government contribution would not be a lump-sum, up-front donation but rather would be made available in increments. If at any time it appeared that the foundation's autonomy were threatened, our contribution to the program would be stopped.

The U.S. Government has channeled more than $130 million in surplus food to Poland in cooperation with private agencies in the United States and the Catholic Church since martial law was imposed in 1981. This aid helped the Polish people through an extraordinarily difficult time. Yet, at this point we have a chance to

stimulate the private farmer in Poland who will in turn contribute tremendously to an economy that has long suffered under the excesses of central planning. Strengthening the private agricultural sector in Poland will also promote the social diversity that distinguishes Poland from the Soviet Union and some of the other governments in Eastern Europe.

Again, Mr. Chairman and members of the committee, we appreciate your long-term personal interest in this issue. We appreciate the very special attention you are giving this subject in the very hectic, busy time of the Congress, and we appreciate the opportunity to present our views here today.

Thank you.

[Mr. Derwinski's prepared statement follows:]

PREPARED STATEMENT OF HON. EDWARD J. DERWINSKI

Mr. Chairman and Members of the Committee: I am very pleased to be here today to provide the Administration's views on this bill to authorize a U.S. Government contribution to the Polish Catholic Church plan to aid private farmers in Poland. As you know, the President has announced his support for a U.S. contribution to the pilot phase of this very creative and worthwhile endeavor. The Administration would welcome the authority embodied in this bill. We believe that the church's program offers an unusual opportunity to help Polish family farmers help themselves, and thereby to strengthen the private agricultural sector in Poland.

Mr. Chairman, I know that you understand very well the conditions in Poland and that you have been following the development of this project with great interest. It might be useful for the record. However, if I could begin by providing some information on Polish agriculture in general and on the background to this program.

BACKGROUND

More than 75 percent of Polish agriculture land is in private hands. This situation is unique in Eastern Europe. It stands as vivid testimony to the resilience and persistance of Poland's private family farmers, supported by the church. A Polish Government drive to collectivize agriculture in the early 1950's failed. Since then, the family farms in Poland have shown irrefutably that they are more efficient and productive than those in the state sector. Nonetheless, government pressures toward collectivization continue, and private faarmers tend to be last in line to obtain important agricultural inputs, machinery and implements, and other assistance.

The idea of a church-sponsored program to assist and strengthen Poland's private farmers can be traced back to the late Stefan Cardinal Wyszynski, Primate of Poland for 30 years. Two years ago the Polish Episcopate began to put this idea into more concrete form. Since then, the church, assisted by Polish and West German agricultural specialists, has been hard at work on the details of the program.

HOW THE PROGRAM WILL FUNCTION

The program is intended to help private farmers become more efficient and more independent by giving them access to agricultural services and supplies not now available in Poland in sufficient quantities, and which Poles lack the hard currency to import from abroad. The program is designed so that it will not—and I emphasize this point—will not substitute for any current Polish Government domestic or foreign spending on agriculture.

The program will be administered within Poland by a private foundation established and controlled by the Polish church. This foundation will be directed by a board of independent lay persons. The Polish Government will not be represented on any of the foundation's governing bodies.

One or more counterpart private organizations will be set up in the West to accept financial contributions from Western donors. The money collected will be used to purchase equipment and supplies in the West for the projects that the church has devised. No hard currency will enter Poland through this program—only equipment and supplies.

The equipment and supplies shipped to Poland will be sold by the church foundation to private farmers for Polish currency, zlotys. The foundation will use the

zlotys obtained from these sales to cover its administrative expenses and for social projects in rural areas.

The church foundation will control the entry of goods into Poland, and all imported goods will remain the property of the foundation until sold. The foundation alone will choose its customers. Foundation representatives, in cooperation with parish priests, will make sure that the equipment and supplies go to the persons intended. Moreover, if at any time the autonomy of the foundation were threatened by governmental interference, the church could suspend or terminate the program.

State enterprises may obtain some advantages from the program because certain of the projects will unavoidably require state sector participation to a limited extent. There will be adequate safeguards. However, to ensure that the benefits of this program accrue overwhelmingly to the private farmer.

STATUS OF CHURCH/GOVERNMENT NEGOTIATIONS

After extended negotiations between the Polish Government and the church, the Polish Parliament passed a law in April of this year which permits the establishment of autonomous, private foundations for the first time in postwar Poland. This legislation is unique among Warsaw Pact countries. In principle the government retains certain authority to oversee such foundations, but the church believes that its foundation will be able to operate satisfactorily under this "umbrella" statute. Negotiations between the church and government on implementing regulations specifically to govern the church-affiliated foundation are nearing conclusion.

TIMING AND COSTS

The church hopes to establish its foundation and get the program underway this fall. There is to be an initial, pilot project phase lasting until 1986. Pilot projects are planned in the areas of milk handling, tractor tire procurement and repair, rural workshops, food processing, and water supply. The church estimates the cost of the pilot projects at $28 million. If the pilot projects prove successful, the church hopes to introduce a larger-scale, 5-year plan. The size of this expanded program will depend on an evaluation of the pilot projects, as well as, obviously, the willingness of potential donors to support an expansion.

SUPPORT ELSEWHERE FOR THE PROGRAM

The Polish church has sent several missions to Europe, Canada, and the United States over the past year to explain the program and to encourage contributions from churches, governments, and private foundations. The Episcopate of the Catholic Church in the Federal Republic of Germany, and the West German Government, have been key supporters of the program in Western Europe. In the United States, the National Conference of Catholic Bishops has been active in generating support.

We understand that Catholic churches in the United States, Canada, and West Germany have pledged or will soon pledge specific sums to the pilot phase of the program. Several European governments are expected to make contributions to the pilot program, but no specific amounts have been pledged yet. The European Community is also considering a contribution.

POSSIBLE U.S. GOVERNMENT CONTRIBUTION

In meetings with Polish church officials, we in the administration have made clear that the possibility of a U.S. Government contribution to the pilot phase of their project would depend on a number of factors. These factors include passage of the necessary laws and regulations to ensure sufficient automony for the foundation, the development of sound agricultural projects, and the willingness of others to contribute. Based on our examination of the Polish legislation covering the church-affiliated foundation and our analysis of the pilot projects, President Reagan announced on August 17 his intention to seek support for a U.S. Government contribution of $10 million to the pilot phase of the program.

The Administration sees the pilot phase as a test, not only of the Polish Government's willingness to let the church foundation function as it should, but of the foundation's competence and of the efficacy of the projects themselves. A U.S. Government contribution would not be a lump-sum, up-front donation, but rather would be made available in increments. If at any time it appeared that the foundation's autonomy were threatened, our contributions to the program would be stopped.

USG INTEREST

The U.S. Government has channeled more than $130 million in surplus food to Poland in cooperation with private agencies in the United States and the Catholic Church since martial law was imposed in December 1981. This aid helped the Polish people through an extraordinarily difficult time. The Polish people are still among the best friends America has abroad. The church plan offers an opportunity to help an important segment of Polish society. The Polish private farmer, directly. It offers a rare opportunity to encourage the traditional, demonstrably more productive, private family farmer in an economy suffering from the excesses of central planning. Strengthening the private agricultural sector in Poland will promote the social diversity that distinguishes Poland from the Soviet Union.

Again, Mr. Chairman, we appreciate your long-term personal interest in this issue and the opportunity to present our views here today. Thank you very much.

The CHAIRMAN. Thank you very much.

Because of your schedule, I know the panel would understand if you could take a few questions now.

First, what recent information do you have on the final stages of negotiations between the Polish church and government on the church-affiliated agricultural foundation which would manage both the pilot project and the full project later, assuming the pilot project goes well?

Mr. DERWINSKI. We have been in regular contact with church authorities from Poland, and it is our understanding that there is no problem foreseen. The only delay, and I would not even call it delay, the necessary procedure in developing the regulations, has been normal, technical, or I might even say of a bureaucratic type. There is no fundamental problem that we are aware of.

I might add, Mr. Chairman, just a personal aside, that I will be traveling to Europe next week to consult with the authorities of the Federal Republic of Germany and the authorities of the United Kingdom for their analysis and their update on this issue, and I think we will be able to assure you and members of the committee that the proper situation exists for the launching of this pilot phase.

The CHAIRMAN. Well, if while you are there you would be good enough to deliver to my friends in both countries a personal message that we appreciate their interest very much indeed; we hope we will have their full participation, and my own assurance that this is very much in the best interests of the people of Poland and of all the Polish representatives outside Poland who are Polish-Americans and Polish-Germans and Polish-British, all of whom have never taken their own freedom for granted, always dedicate themselves to the welfare of people, their friends and their relatives in Poland. And this is certainly a major step forward that can be taken. And we are grateful for the opportunity we have and the privilege we have and the enthusiasm also of President Reagan.

What level of private contributions here in the United States and in Europe do you really expect for the pilot project?

Mr. DERWINSKI. In this original phase, the private—and by private, that is church as well as foundation—contribution probably will run in the vicinity of 30 to 40 percent; governmental contributions making up roughly 60 percent.

Now, as we look down the road, if the pilot projects are successful, that mix could change somewhat over the years. At this point

we hope to have a very fine cross section of support from private foundations, church sources, and governments.

I find this has been a most stimulating example of government/private sector cooperation, and that is why I emphasized we are pleased to play the role that is staked out in your bill for support from our Government.

The CHAIRMAN. Is there any other country besides—are there other countries besides West Germany and the United Kingdom that are seriously interested in making contributions to the pilot project?

Mr. DERWINSKI. I know there is interest in the program in other countries as well. For instance, I do know that the Canadian Catholic Church is considering a contribution. I understand from personal contacts I have had, that for example, even some of the smaller European governments, such as Norway and Belgium, are considering a contribution to this pilot project, and I imagine a number of other countries in Western Europe will follow suit.

The CHAIRMAN. Would it be wise for us to make our contributions contingent upon contributions of other European countries as a means of inducing them to do so?

Yesterday I did a broadcast for someone who paid an honorarium, and CBS offered to double it if we would donate our honorariums. It just did my heart good to donate it quickly, knowing it would cost CBS twice as much.

But they were very generous in doing it, and certainly it would help, I think, the American taxpayer if they realized that their contribution as taxpayers was helpful in inducing and securing support from other countries.

Mr. DERWINSKI. I believe, Mr. Chairman, as a matter of just practical administration of this program, that it is more than our understanding, it is our absolute conviction that the entire $28 million envisioned would be available in order for us to complete our contribution of the full $10 million. As I mentioned in my statement, a U.S. Government contribution would be made available in increments.

I am advised by the spokesman for the Polish Catholic Church officials who have worked on this program that they are confident that the, let me call it the pledges, the commitments will be there. Again, we will verify that for you, sir.

The CHAIRMAN. How will the pilot project be evaluated, and who will be doing the evaluation?

Mr. DERWINSKI. The pilot project will, of course, be evaluated by the independent foundation that administers it. In addition, we will follow through with our own officials; our AID agency officials, our USDA people will be monitoring the program. I should add that in the decisions within the U.S. Government to support this project we have had the full cooperation and participation of AID, the Agriculture Department, and the National Security Council, and we would follow through with all necessary steps to see that this program was administered consistent with the wishes of the Congress.

The CHAIRMAN. Finally, what opportunities will there be for American farmers or agricultural equipment and product firms to sell their products to the foundation for use in Poland?

Mr. DERWINSKI. As I indicated, basically the supplies and materiels will be purchased in the West and shipped to Poland so that there will be, from a supply standpoint, American exports of specialized equipment and supplies. As you noted yourself, the pilot projects are diverse. Our dairy industry, for example, could participate by providing equipment or expertise for this Polish foundation. So I think the expertise, special materiel and knowledge of the West would over a long period be imparted to the private owners of Polish farms.

I might add, Mr. Chairman, that it is the tremendous pride the Polish farmer has in his land, his soil, that strength in the rural areas that has permitted this unique resiliency of Polish farmers in keeping at bay the Communist government that they had imposed on them 40 years ago.

So the strength of the Polish farmer is a unique story of success in the last 40 years.

The CHAIRMAN. Counselor Derwinski, I thank you very much for being with us, and your personal presence means a lot to us.

Mr. DERWINSKI. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Dodd, do you have any questions for Counselor Derwinski?

Senator DODD. Yes, Mr. Chairman, I do. I will not take long, but I am always pleased to be with my old friend and colleague from my days in the House, Mr. Derwinski. Mr. Chairman—and Ed will correct me if I am wrong—I think I was probably the first public official to sit down with Polish officials as well as the church figures to discuss this whole program. A year ago August I had the pleasure and honor to spend about 5 hours with Lech Walesa in Gdansk and then met with several Polish Government officials looking primarily at the issue of debt with their finance minister and others. I spent an afternoon with Bishop Dabrowski—Cardinal Glemp was ill at the time and could not be here—and with Father Orszulik who was the day-to-day, nuts-and-bolts person involved with this program.

A couple of things have occurred to me since my discussions with them, and the plan was very vague at that time. General Jaruzelski had indicated that he had—I did not meet with him. The choice was that I either meet with Lech Walesa or Jaruzelski, and I picked Walesa, so I did not talk to Jaruzelski. He, however, in principle had agreed to the concept of the foundation at that time and Father Orszulik indicated that he thought the program would function by establishing a revolving fund which the agricultural producers would then borrow from.

You have now suggested that that will not be the case but rather the equipment and grain or whatever else would be purchased here, delivered there and then sold to them.

I am wondering what caused that shift. Was that something the Polish Government insisted upon or was it a determination that that would function more efficiently to do it this way? What was the rationale for that shift?

Mr. DERWINSKI. Basically, as they went through from what you would call the concept to the practicality of this, the decision was made to have the equipment and supplies shipped to Poland to be purchased by private farmers with Polish currency. The foundation

may sell some equipment on credit to farmers who cannot afford a lump-sum purchase. The foundation would use the zlotys obtained from the purchases, and from repayments for credit extended, to finance other projects, including social projects, in rural areas, and to cover their administrative expenses.

Then what would happen, since, as I mentioned, there would not be any hard currency transferred to Poland, it would be just the goods from the West, the sale of those goods would be for local currency, and that would be entirely then an international administrative situation in Poland.

Senator DODD. Now, who would do the purchasing, who does the selling, and who establishes the prices on which it would be sold to the agricultural sector?

Mr. DERWINSKI. The church foundation.

Senator DODD. Makes the purchases?

Mr. DERWINSKI. Yes.

Senator DODD. They also make the decision——

Mr. DERWINSKI. They make the purchases in the West.

Senator DODD. Right.

Mr. DERWINSKI. They would acquire, then they would sell them to the local Polish farmer, as I indicated also in my testimony, with the, call it the proper direction by the local church authorities who would know those individuals who could best use a certain type of expertise and certain type of product or mechanical assistance.

Senator DODD. I got at the time—and I am trying to find the names of the people I talked to—I got a lot of contradictory comments from the Polish officials about the necessity for changing Polish statutory law. Some suggested there was really no need at all, that there was enough present law on the books that could accommodate the handling of the foundation. Others suggested that there would be a need for significant changes in law or the adoption of various statutes by the Sejm.

What I am asking you for is whether or not the government itself will play—what sort of a role do they play in deciding who has the right to purchase this equipment? Is it unilaterally determined by the church?

Mr. DERWINSKI. Senator, we would assume that the basic law establishing the foundations would not have been passed by the Polish Parliament without the go-ahead from the government, and if we also examine the regulations that have been written by the bureaucracy, the Polish Government has in fact been quite cooperative to this point with church authorities.

The church authorities were insistent that the control of the foundation be in their hands, that they would in fact have proper jurisdiction. They knew that they would not be getting the support from the Western governments and Western foundations if there was a hidden government manipulation, in effect.

I think we are quite satisfied that the law as written and the regulations do in fact give the church the autonomy it needs. I might add that this in part explains a point you made that early on there seemed to be some inconsistency because most of the experts advising the church, were generally agricultural professors and people with an agricultural specialty background, and the church authori-

ties themselves were at one point or another somewhat in the dark as to just what the law would provide.

But they are completely satisfied with it at this point.

Senator DODD. I am encouraged to hear that. That is very good news.

The more difficult question, I suppose, has to do with the economic soundness.

My information—and you know far more about this than I do, but my understanding is that one of the problems has been that the fundamental structure of the family farm in Poland is anachronistic, that it is 19th century farming—well, maybe not quite 19th century, but certainly early 20th century, with the rudest and crudest of farm equipment, very small, narrow plots, and a great number of them.

In this country you and I both know the family farm is almost an icon, and yet as a practical economic matter we recognize that the economics of trying to run a small family farm in the latter part of the 20th century is a difficult thing to do. Some even suggested that there has to be a fundamental restructuring of the agricultural base as part of the Polish economy if it is really going to make any positive gains in the future, that merely perpetuating the present structure is not going to in the long run make the kind of significant difference in the Polish economy so that it can come out of these adverse economic times.

It is a very difficult political question, obviously, as it is here. You start talking about the necessity of having larger plots that are economically more efficient, you run into the obvious political problems.

What I am getting at is that some of these farmers are not going to be able, it would appear to me, to pay back loans if they do get this equipment so that it, No. 1, may jeopardize the revolving fund—No. 2, that even if they are able to just get by doing that, the fundamental economic structure of the agricultural sector, which is so vitally important in Poland, is not going to be changed. Hence, it just sort of perpetuates the status quo.

Have there been these kinds of analyses done on this? I happen to be strongly in favor of this and expressed it a year ago when I was in Poland. I just want to make sure—I would like to see it work and I am wondering if any of these things have been considered.

Mr. DERWINSKI. First, I think your question is a fascinating one because it really opens up the extra dimensions that make this such a worthwhile project.

First, we should keep in mind that one of the reasons why the Polish private farmer has from time to time been less than fully productive is the constant pressure for forced collectivization that the government has employed, which has included the technique of denying that private farmer the type of machinery, fertilizers and things that would have made him more productive. This foundation will be able to channel into a cooperative kind of effort the machinery, the wherewithal, the resources that will make the various individual farms all the more effective.

One of the interesting economic stories in all Eastern European countries is that wherever people are allowed to in any way main-

tain private plots, they are consistently far more productive per acre than the huge collective farms. One sees the direct stimulation of private ownership, what we might politely call free enterprise.

But then there is another dimension here, Senator, and you know this well from your trips to Poland and your knowledge of Eastern Europe, and that is that in Poland especially, some of the great assets of the rural population are their intense nationalism, their loyalty to their church, and their determination to maintain their historic traditions, and it is that independence of owning this land, the independence of being, if you would, the master of your destiny, which in the philosophy of Marxism is generally denied them. That is why the church has always found that their greatest strength and inspiration have come from the rural areas.

Therefore, it is no surprise, the church would look in a very logical fashion to strengthening the private farmer.

I think you are absolutely correct when you analyze the American agricultural scene, but keeping in mind the political conditions, the social conditions and especially the unique role of the church as defender of nationalism, the intensity of nationalistic feeling in the rural areas, this has a unique historic blend that we believe is very workable and that I think the pilot projects are designed to test. Your concerns over the ability to repay I think would be thoroughly tested in the pilot projects and then properly weeded out and controlled and directed.

Senator DODD. Did I understand, Ed, you to suggest that in addition to the sale of equipment and whatever else to private farmers, there would be also cooperatives or, a state farm could also qualify?

Mr. DERWINSKI. No, I would not—no. I had in mind that there would be a coordinated use, quite frankly, similar to either the official cooperative developments in our countries or the standard just customary use by farmers of the other's equipment, sort of a lend-lease kind of thing.

But you are correct, the average Polish farmer has a fairly small plot, and therefore, sharing the equipment, moving it from farm to farm, from region to region, would be a logical application.

Senator DODD. And the last question, after I was in Poland, I went to Hungary and spent a few days there and was interested in what they had done in their agricultural programming. It is probably the most revolutionary of all of the Eastern bloc countries in terms of what they have been able to get away with. I should describe it more accurately, because it really does embrace some very strong free market principles and private property which is really pressing up against some very fundamental tenets of Marxism that even the Hungarian officials will tell you—in fact, I had an amusing conversation with someone who will remain anonymous.

I asked him, well, what does the Soviet Union think about what you are doing here, and he said I do not know. And I said, what do you mean you do not know? Have you asked? And he said, no. And I said, why not? And he said, because I do not want to know the answer.

There the small plot farmer is really into produce, vegetables and things of that nature, and the state farm, or the larger farm

functions in wheat crops, your basic staple crops, and so they do not compete with one another in that particular arena.

I presume that would probably be the case here, as a matter of fact, would have to be. But I am wondering if any consideration is given to the kind of production that the smaller farmer would engage in in Poland so that it would be economically a sounder program.

Mr. DERWINSKI. I believe logically this would be the way it would evolve. I think using your comparison we would have to make the obvious observation that the Hungarians in the agricultural sector have applied certain principles that have not been utilized elsewhere in Eastern Europe. The state versus private structure of agriculture in Hungray and Poland are very different, but certain aspects of the Hungarian model might be applied in Poland.

Senator DODD. Any indications of that from the Polish Government?

Mr. DERWINSKI. The Polish agricultural experts we spoke to are aware that there has to be an orderly development and a coordinated, productive goal.

I should add, now, and close on this note, Senator, that you will be hearing from Bishop Abramowicz, and I hate to enter his area and speak of the church inspiration again, but I should make this point, that in Poland the government knows that the only way that they could extricate themselves from the economic mess they have caused is to have the cooperation of the broadest possible spectrum of the Polish populace. They also know that they are not going to get the cooperation of the Polish populace without the acquiescence of the church. That is why I made the point that the strength of the church in the rural regions is a tremendous historical and practical factor, and that is why the concentration or the effort of this foundation will be directed to the agriculture sector where it is a unique effort to bring modern farming techniques and procedures and equipment to that part of the country that has shown the most resiliency in maintaining the traditions of nationalism.

We see this as a totally positive development.

Senator DODD. I thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Dodd, and Counselor Derwinski, we wish you God speed.

Thank you very much.

Mr. DERWINSKI. Thank you, Mr. Chairman.

Senator DODD. Thank you, Ed.

The CHAIRMAN. The committee is now very pleased to turn to our public witnesses. We deeply appreciate your being here on short notice; and we are pleased now to hear from the Most Reverend Alfred Abramowicz, Auxiliary Bishop of the Roman Catholic Archdiocese of Chicago, who has been closely involved in the church in Poland in planning this project.

Bishop Abramowicz, we are happy to hear from you at this time.

Thank you.

STATEMENT OF THE MOST REVEREND ALFRED L. ABRAMOWICZ, AUXILIARY BISHOP OF THE ROMAN CATHOLIC ARCHDIOCESE OF CHICAGO, CHICAGO, IL

Bishop ABRAMOWICZ. Thank you, Senator.

May I, too, ask that my statement be entered into the official record? This will help me make reference to some of the things that Mr. Derwinski said.

I am Auxiliary Bishop of Chicago, Auxiliary Bishop to Cardinal Bernardin, and His Eminence asked me to express his gratitude for your invitation to testify before this committee on behalf of the Polish Agricultural Foundation. Regrettably, the short notice did not permit him to change or reschedule his commitments so as to be able to appear in person. However, he asked that I relay to you this message of his complete support for the Polish Agricultural Foundation and to express his plea that the United States support this foundation with a most substantial grant, and to state that he as Archbishop of Chicago has assured the foundation that he is confident that Chicago Catholics and the Archdiocese of Chicago will contribute generously to this foundation. And he has requested that I and Father Joseph Mytych appear at this hearing and speak in favor of this foundation.

I speak as a private citizen of the United States. I am of Polish ancestry, born and raised in Chicago. My mother and father immigrated to the United States from Poland as teenagers, and I do not speak in behalf of the Bishops of the United States of the National Conference of Catholic Bishops. I speak as an American bishop who is knowledgeable of Polish affairs and of the condition of the church and state in Poland.

As national executive director of the Catholic League for Religious Assistance to Poland for the past 24 years, I am in close contact with the present Primate of Poland, Joseph Cardinal Glemp, as I had been with his predecessor, the late Stefan Cardinal Wyszynski. In these past 24 years, I have visited Poland perhaps 15 times, always in contact with the Catholic hierarchy of Poland. A month ago during the visit of Cardinal Bernardin in Poland—the Cardinal together with Father Joseph Mytych, Father Bednarz, and I—we spent hours with Father Orszulik, who is the plenipotentiary of the Polish episcopate and head of the Agricultural Foundation, going over details of this pilot project and the global aspects of the foundation.

The concept of this agricultural foundation to help private farmers was conceived as the Primate of Poland and the hierarchy of Poland and the people marvelled at the tremendous good will and sacrifice of the United States and of governments of Western European nations. They marvelled at the sacrificial generosity of Americans and of peoples all over the world as they came to relieve the critical shortages of food, clothing, medical supplies which afflicted the Polish nation in recent years. And they judiciously observed and took note of the splendid cooperation of the Polish Government as the Polish hierarchy efficiently, justly and charitably distributed these benefactions.

As they received these gifts gratefully, they became fully aware of their own human dignity. They considered how they would

prefer to be in a position to give rather than to receive, preferred to work rather than be on the dole. And a conviction rose to supersede all emotions that there was a way that they could feed and clothe themselves. They had the land and loved it. They had the ability and the will to work. What they needed was aid of another kind. They needed modern machinery, tractors, repair parts. Their land needed chemicals, fertilizers. They needed barns, repair shops, processing plants for fruits and vegetables. They needed field services, water systems, sewage treatment, improved milk production, and so on.

With such materials and equipment, they could become self-sustaining, stand proudly on their feet, and eventually be able to extend a helping hand to others less fortunate than they.

Thanks to that legislation of the Polish Parliament in April, the foundation will be operating, independently of the authorities of the Polish state as a separate entity but under the patronage of the Catholic Church in Poland.

The Polish episcopate established the foundation only after receiving commitments from ecclesiastical bodies in Western Europe, Australia, as well as from certain Western governments, private organizations and individuals, and on a solid hope of a $10 million grant from the U.S. Government.

The Catholic Church in the United States is ready to make a substantial commitment toward the $18 million fund which is needed to support the pilot program through 1985.

The Catholic Relief Services, a branch of the United States Catholic Conference, has already appointed Father Terrence Mulkerin to work with the foundation and has pledged to cover the costs of his labors for an initial period of 6 months. John Cardinal Krol of Philadelphia has made public statements asserting his support of the foundation. He has further solicited a solid commitment from many members of the American Catholic hierarchy.

I repeat that Cardinal Bernardin of Chicago expresses his full support of the foundation. It is imperative now that the declaration of intention which was recently given by President Reagan, which was received most joyfully by the Polish nation and the universal world, become a reality.

I therefore humbly request that favorable consideration be given to enact appropriate legislation making possible this grant of $10 million to the Polish Agricultural Foundation.

Thank you.

[Bishop Abramowicz' prepared statement follows:]

PREPARED STATEMENT OF THE MOST REVEREND ALFRED L. ABRAMOWICZ

Gentlemen, I am Alfred L. Abramowicz, auxiliary bishop to His Eminence, Joseph Cardinal Bernardin, archbishop of Chicago. His Eminence Cardinal Bernardin is most grateful for the invitation to testify before the Senate Foreign Relations Committee in behalf of the support of the Polish Agricultural Foundation. Regrettably, the short notice did not permit him time to reschedule previously made commitments so as to be able to appear in person. He asks that I relay to you this message of complete support for the Polish Agricultural Foundation, to express his plea that the United States support this foundation with a most substantial grant, and to state that he as Archbishop of Chicago has assured the Foundation that he is confident that Chicago Catholics and the Archdiocese of Chicago will contribute generously to the Foundation. He has requested that I and the Rev. Joseph F. Mytych of Chicago appear at this hearing and speak in favor of the Foundation.

I speak as a private citizen of the United States and am of Polish ancestry. My mother and father immigrated to the United States as teenagers. I do not speak in behalf of the hierarchy of the United States, the National Conference of Catholic Bishops or the United States Catholic Conference. I speak as an American bishop who is knowledgeable of Polish affairs and the condition of the Church and State in Poland. As national executive director of the Catholic League for Religious Assistance to Poland for the past 24 years, I am in close contact with the present Primate of Poland, Joseph Cardinal Glemp, as I had been with his predecessor, the late Stefan Cardinal Wyszynski. In these past 24 years I have visited Poland perhaps 15 times, always to be in contact with the Catholic hierarchy of Poland. A month ago during the visit of Cardinal Bernardin in Poland (August 10–20, 1984), the Cardinal together with the Revs. Joseph F. Mytych and Matt Bednarz we spent several hours with the Rev. Alojzy Orszulik, plenipotentiary of the Polish episcopate and head of the Agricultural Foundation going over details of the pilot project and the global aspects of the Foundation.

The concept of an Agricultural Foundation to help private farmers was conceived as the Primate of Poland, the hierarchy and its people marvelled at the tremendous good will and the sacrifice of the United States and governments of Western European nations—marvelled at the sacrificial generosity of Americans, and peoples all over the world as these came to relieve the critical shortages of food, clothing and medical supplies which afflicted the Polish nation a couple of years ago. They judiciously observed, took note of the splendid cooperation of the Polish Government as the Polish hierarchy efficiently, justly and charitably distributed these benefactions. As they received these gifts gratefully, they became fully aware of their own human dignity. They considered how they would rather be in a position to give rather than to receive, prefer to work than be on a dole. A conviction rose to supercede all emotions that there was a way that they could feed and clothe themselves. They had the land, the ability and will to work. What they needed was aid of another kind: modern machinery, tractors and repair parts. Their land needed chemicals: fertilizers, pesticides, preservants and disinfectants. They needed barns, repair shops, processing plants for fruits and vegetables—field services, water systems developed for life-support and irrigation, sewage treatment, improved milk production, and sanitary and safe processing equipment. With such materials and equipment they could become self-sustaining, stand proudly on their own feet and be enabled eventually to extend a helping hand to others less fortunate than they.

Thus, the Polish Agricultural Foundation became established by the Polish episcopate as sanctioned under legislation passed by the Polish parliament on April 6, 1984. The Foundation will be operating independently of the authorities of the Polish State, and as a separate entity but under the patronage of the Catholic Church in Poland.

The Foundation seeks to pursue three principal activities: provide selected services (field operations, mechanical maintenance, water and sanitation equipment and repairs, provided by the farmers themselves with provided equipment and supplies), increase agricultural production (milk, fruits, vegetables) and sale of production implements (tractors, machinery, tools, spare parts, component and pesticides).

The Polish episcopate established the Foundation only after receiving commitments from ecclesiastical bodies in Western Europe, even Australia, as well as from certain Western governments, private organizations and individuals, and on a solid hope of a $10 million grant from the United States Government.

The Catholic church in the United States is ready to make a substantial commitment toward the $28 million fund which is needed to support the pilot program through 1985.

The Catholic Relief Services—CRS—a branch of the United States Catholic Conference has already appointed the Rev. Terrence J. Mulkerin, to work with the foundation and has pledged to cover the costs of his labors for an initial period of 6 months. John Cardinal Krol of Philadelphia has made public statements asserting his support of the Foundation. He has further solicited a solid commitment from many members of the American Catholic hierarchy. I repeat that Cardinal Bernardin of Chicago expresses full support of the Foundation.

It is imperative now that the declaration of intention which was recently given by President Reagan and which was received most joyfully by the Polish nation and the universal world, became a reality.

I therefore request that favorable consideration be given to enact appropriate legislation making possible this grant of $10 million to the Polish Agricultural Foundation.

The CHAIRMAN. Thank you very much. We really appreciate that testimony, and I think now it might be well to have testimony also from Myra Lenard.

I would like to ask first if Father Joseph Mytych has something he would like to add.

STATEMENT OF REV. JOSEPH F. MYTYCH, STS. PETER AND PAUL CHURCH, CHICAGO, IL

Reverend MYTYCH. Yes, Mr. Chairman. I thank you, send you greetings from the land of Lincoln. It is good to hear from home, I am sure—and Senator Dodd.

I thank you for the opportunity of adding to the testimony of Bishop Abramowicz. I also, as was indicated, accompanied Cardinal Bernardin on his visit. I did accompany Cardinal Cody 7 years ago through Poland, and again this last year. I have been in Poland five times in the last 7 years.

I come not as an expert witness on matters of agricultural, technical or political content. These I leave to persons with prominent qualifications, many of whom have already made their views known to members of this committee or other pertinent governmental agencies. I would rather direct my remarks to the question: Why does the Catholic Church in Poland involve itself so deeply in a temporal matter, especially one of such ramifications in the social, economical, philosophical, and political order? In other words, why does the church feel that it must be involved as an indispensable agent in this project, even the one, the only agent who has promised that the project will succeed, and only with its involvement? And what essential, single element can it offer that would encourage interested and concerned church authorities, civil governments, and private humanitarian bodies to offer aid and be assured that their largesse would not be misapplied nor be made to work against the very principles of social justice and human rights to which they are committed?

The mission of the church is religious and spiritual, but neither the church nor the people exist in a vacuum. And by its nature, the church must be concerned with the whole man, his social, economic being, just as he lives in human society with its abundance and wants, prosperity and need, its successes and frustrations, its comforts and distresses.

Chief among todays needs of the Polish people is food. For countless generations the Polish people have been a people of the soil. They provided for their daily vitals out of the personal labors and of their own bit of land. Even in the darkest days of World War II, despite the repressive actions of occupying forces, they managed to survive, even survived overt efforts to starve the nation to death.

Mindful of this need, an idea was conceived in the minds of the Polish hierarchy which results in the Foundation for Agricultural Aid. In a word, the basic concept of Polish agriculture would have to undergo a major restructuring out of which both the human effort and the productiveness of the soil could reach that level of efficiency which is needed to tend to the needs of a nation whose population has increased by a third, at least, since the end of the war.

The church in Poland is very conscious of its singular role in the national life of its people. It senses deeply the people's reliance upon it for the preservation of its basic rights. The church is especially mindful of the singular trust the people place in its works, leadership, and protection.

In developing the concept of the Agricultural Foundation, the church sees itself as the single national entity capable of effecting the improvement of the people's temporal wellbeing, especially in this particular field of agriculture.

Without entering more deeply into the question, I note the concerns of many agencies in and outside of Poland as to the credibility of this effort. These concerns are real. These agencies, they are most justified.

I wish to offer an answer to this. The church in Poland is standing up to offer all of its institution to the extent that its religious mission allows to help lift the Polish people in this hour of need and to give them assurance of a better tomorrow, and to guarantee to the donors of this aid that it will be used in the proper sources.

The credibility of the need is obvious. We have heard testimony of the extent of private ownership. That private ownership has produced 87 percent of the nation's food. Modern methodology is a major part of this answer, and the availability of modern agricultural equipment with resources for its proper maintenance will help improve this efficiency. The development of food processing will help ensure its temporal distribution so as to avoid periods of unnecessary abundance or shortage. A distressed people makes an unfortunate church.

In a totalitarian society there is little or no opportunity for a private effort to ensure human need, right, and dignity. In Poland's totalitarian society, the church enjoys a unique role both of opportunity and responsibility. Thus, in and for the development of this agricultural foundation, the church alone offers the required measure of credibility. The church is offering to assume this task before all those who are concerned with the sorry plight of the Polish people. It is ready and willing to place all its resources of person and institution to ensure the success of this venture and thus fulfill its mission of social justice.

Unique in such societies is the fact that the Polish Government is expressing willingness to collaborate with the church and to accept the church's collaboration to help achieve this goal of a reconstructed agricultural community. In addition to those agricultural experts already active under church auspices in the development of the program, the state is ready to offer its own in collaboration.

What remains is to reach and conclude an adequate agreement on those steps which will be needed to assure the total and final fulfillment of the conditions of that agreement.

Supporting evidence has already been given from the fact of cooperation and collaboration in the recent provision of aid in food and medicines in the last couple of years.

The concerns of the church are not limited to the church in Poland. We have already heard testimony of ecclesiastical bodies outside of Poland, and among those there are such of other theo-

logical convictions who are expressing favorable reactions to these appeals for help.

Perhaps the most important single element assuring credibility to all concerned is the humanitarian dimension of all participating agents and institutions. It is my belief that the pilot program is the beginning of a great effort for the betterment of a nation's life and the preservation of its tradition of human rights and dignity deserves our support.

Therefore, Mr. Chairman, we ask favorable consideration for the passage of the proposed bill.

I might add one parenthetical note, and that is to take note of the fact that this rather small body of farmers, 4 million and some of the entire nation who own 75 percent of the land of the country are able to produce 87 percent of the nation's food supply. If that proportion of food supply can be raised but 3 percent, to constitute 90 percent, it will give evident lie to the efforts of collectivization whose efforts then will become virtually insignificant. And the impact of this on the political, the philosophical, the economical and the social dimension of these people who are receiving our support in their struggle for human rights and human dignity will be one that will last a long time.

I thank you very much.

[Reverend Mytych's prepared statement follows:]

PREPARED STATEMENT OF REV. JOSEPH F. MYTYCH

I express heartfelt gratitude to the Chairman and honorable members of this committee for allowing me to present a statement in support of the legislation aiming to provide a grant in support of the Polish Agricultural Foundation.

I am a priest of 45 years of service in the Archdiocese of Chicago, largely in ministry to the Polish and Polish-American community. I too have been involved in the works of the Catholic League for Religious Assistance to Poland, and have had the opportunity of visiting Poland five times in the last 7 years.

I come not as an expert witness on matters of agricultural, technical or political content. These I leave to persons with prominent qualifications, many of whom have already made their views known to members of this committee or other pertinent governmental agencies. I would rather direct my remarks to the question—why does the Catholic Church in Poland involve itself so deeply in a temporal matter, especially of such ramifications in the social and political order, why does the church feel that it must be involved in this as an indispensable agent, even the one, the only agent with promise that the project will succeed only with its involvement, what essential single element can it offer which would encourage interested and concerned church authorities, civil governments and private humanitarian bodies to offer aid and be assured that such largesse would not be misapplied or be made to work against the very principles of social justice and human rights to which they are committed. The mission of the church is religious and spiritual. But the church nor the people exist in a vacuum. By its nature the church must be concerned with the whole man, his social, economic being as he lives in human society with its abundances and wants, prosperity and need, its successes and frustrations, its comforts and distresses.

Chief among today's needs of the Polish people is food. For countless generations the Polish people have been a people of the soil. They provided for their daily vitals out of their personal labors and of their own bit of land. Even in the darkest days of World War II despite the repressive actions of occupying forces they managed to survive, even overt efforts to starve the nation to death.

Mindful of this need, an idea was conceived in the minds of the Polish Catholic hierarchy to seek aid not just for the temporary relief of a crisis, but for long ranged development of the sources of food so as to be able to tend to the future needs of the steadily increasing population. In a word, the basic concept of Polish agriculture would have to undergo a major restructuring out of which both the human effort and the productiveness of the soil could reach a level of efficiency

needed to tend to the needs of a nation which population has increased by a third, at least, since the end of the war.

The church in Poland is very conscious of its singular role in the national life of its people. It senses deeply the people's reliance upon it for the preservation of its basic rights. It is especially mindful of the singular trust the people place in its works, leadership and protection.

In developing the concept of the Agricultural Foundation the church sees itself as the single national entity for the improvement of the people's temporal well-being.

Without entering more deeply into the question, I note the concerns of many agencies in and outside Poland as to the credibility of the effort. These concerns are real. To these agencies they are most justified.

I wish to offer an answer to this. The church in Poland is standing up to offer all of its institution to the extent that its religious mission allows to help lift the Polish people in the hour of need and give them assurance of a better tomorrow.

The credibility of the need is obvious. Agricultural experts tell us that there is great need of basic reconstruction in the whole agricultural community, 75 percent of which is privately owned and yet is able to produce 87 percent of the nation's food supply, the whole of which is becoming increasingly short of the total need. Modern methodology is a major part of the answer. The availability of modern agricultural equipment with resources for its proper maintenance will help improve efficiency. The development of food processing will help insure its temporal distribution so as to avoid periods of unnecessary abundance and shortage. A distressed people makes an unfortunate church.

In a totalitarian society there is little or no opportunity for a private effort to insure human need, right and dignity. In Poland's totalitarian society the church enjoys a unique role both of opportunity and responsibility. Thus, in and for the development of this agricultural foundation the church alone offers a measure of credibility. And the church is offering to assume this before all those who are concerned with the sorry plight of the Polish people. It is ready and willing to place all its resources of person and institution to assure the success of this venture and thus fulfill its mission of social justice.

Unique in such societies is the fact that the Polish government is expressing willingness to offer its position to help achieve the goal of a reconstructed agricultural community. In addition to those agricultural experts already active under church auspices in the development of the reconstruction program, the state is ready to offer its own in collaboration. What remains is to reach and conclude an adequate agreement and those steps which will be needed to assure the total and final fulfillment of the conditions of that agreement.

Supporting evidence can already be drawn from the recent experience of handling emergency aid in food and medicines—the church was given a sufficient liberty in administering the gifts from abroad so that the suffering of a crisis was overcome at the earliest possible time.

The concerns of the church are not limited to the church in Poland. Other ecclesiastical bodies outside Poland, including those of other theological convictions, are expressing favorable reaction to appeals for help. While the American bishops have not yet had a full opportunity to study and respond to the appeal, they are expected to do so in the very near future.

Perhaps the most important single element assuring credibility to all concerned is the humanitarian dimension of all participating agents and institutions. It is my belief that the pilot program, as the beginning of a great effort for the betterment of a nation's life and the preservation of its tradition of human rights and dignity, deserves our support.

Therefore, I ask that favorable consideration be given to the passage of this current legislation which will allow the Polish people to move forward to a day when, thankful for the help we have given them in their hour of need, may find themselves in a position of such sufficiency that they in turn can help another people in need.

Thank you very much.

The CHAIRMAN. Thank you, Father Mytych, for appearing with the Bishop. Both statements were extraordinarily helpful.

Our concluding statement will be given by Myra Lenard, executive director of the Polish American Congress, Washington, DC.

STATEMENT OF MYRA LENARD, EXECUTIVE DIRECTOR, POLISH AMERICAN CONGRESS, WASHINGTON, DC

Ms. LENARD. Mr. Chairman, members of the committee, my name is Myra Lenard. I am executive director of the Polish American Congress. I am testifying on behalf of our president, Mr. Aloysius Mazewski, who is unable to be present today. The Polish American Congress is an organization of approximately 3,000 organizations, numbering millions of Americans of Polish descent. Thank you for giving us this opportunity.

The Polish episcopate proposed foundation to assist private farmers to expand and modernize their agricultural production deserves full consideration and support. Despite official decollectivization, private agriculture has been consistently discriminated against in the supply of fertilizers, pesticides and machines, spare parts, tools, fuels, and other inputs.

Favoring the socialized sector, the government's policy in effect devastated rural areas and is directly responsible for its backwardness. Nevertheless, Poland's private farming sector accounts for over 70 percent of the country's agricultural output. Modernized and fully developed, it will be able in a comparatively short period of time, to at a minimum significantly increase Poland's self-sufficiency in agricultural production, eliminating or greatly reducing the costly hard currency imports of food, grain, and other agricultural commodities essential to assure sustenance level of food supplies for the Polish people. The church's project entails procurement in the Western countries of critically needed agricultural machinery, spare parts, fertilizer, and other supplies which would be sold to individual farmers, paid for in Polish currency. Proceeds will be used to finance development of infrastructures such as milk processing and distribution facilities, water drainage and sewerage systems, repair shops, vegetable and fruit processing plants, and many others.

The project's objective is to create a comprehensive modern market-oriented agricultural industry to replace the grossly outdated and inefficient system, the legacy of four decades of bureaucratic controls, neglect and discrimination.

It must be noted that it represents a first in effort to establish effective cooperation in the specific economic area between the independent sector of the Polish society led by Poland's church and the government. Its successful implementation would set a precedent and stimulate further efforts to expand market economy to other fields.

It is indeed unprecedented that this project is sponsored by Poland's episcopate. Over the past several years, the Polish episcopate's charitable foundation was the main recipient and distributor of the multimillion dollar Western assistance programs designed to alleviate critical shortage of food and deficiencies in the Polish diet. Since January 1, 1981, the Polish American Congress Charitable Foundation has played a significant role in this respect, contributing food, medicine, medical supplies, and clothing for a value of $50 million. This effort continues today.

The proposed project aims to replace charitable assistance with a production-oriented effort. Further, consistent with the church's

teaching, it aims to restore and enhance people's sense of value, dignity of work and self-reliance by providing the means to engage in a productive and cooperative effort beneficial not only to the individual, but to the society at large. The exceptional nature of the episcopate's initiative dictates its cautious approach. Poland's Primate, Joseph Cardinal Glemp, has appointed several outstanding experts to serve on the foundation's organizing committee. Their task is to develop the organizational framework of the foundation.

The pilot project which will cost $28 million is designed to prove the concept's effectiveness. The response of the farmers and other interested parties must be carefully gauged. The practical application of the foundation's structure and mechanism within Poland's current political and economic realities must be tested, and the donors must be assured that their money is used properly and efficiently.

Mr. Chairman, the Polish American Congress strongly supports the foundation and urges U.S. contribution to its initial limited pilot project.

Mr. Chairman, may I add, we wish to thank you for introducing S. 3000 to appropriate $10 million to this project, and as you stated, this is in the interest and welfare of the people of Poland.

Thank you.

The CHAIRMAN. Thank you very much. This is extremely helpful, and I have just a few questions.

First, Bishop Abramowicz, I notice that it is anticipated that a small amount of the zloty receipts inside Poland from sales of the foundation's supplies and goods would be used for the church's charities in Poland.

Can you tell us more about that?

Bishop ABRAMOWICZ. The first coverage will be administrative costs, but in the foundation there is a provision that any moneys above and beyond this program, or should the program come to a conclusion with zlotys in the fund, would be used for charities designated by the church itself.

The CHAIRMAN. Thank you, sir.

Father Joseph, what level of private funding do you estimate will be available in the United States for the $28 million pilot project?

If for any of these questions you would rather withhold and answer, we will certainly keep the record open for you for that purpose.

Bishop ABRAMOWICZ. May I answer that with respect to the church, please?

Just from feelers that have been going out because no official appeal has been made through the hierarchy yet, we feel that a minimum of $3 million to a maximum of $5 million.

The CHAIRMAN. Has the President's announcement of the U.S. Government's willingness to fund 10 million dollars' worth of the pilot project helped to spur American private contributions or commitments?

Bishop ABRAMOWICZ. It definitely has.

The CHAIRMAN. Is it your impression that the Polish church now feels confident that it can administer a church-affiliated foundation in Poland without government interference in the project to assist private agriculture?

Bishop ABRAMOWICZ. Very much so. As a matter of fact, I talked to Cardinal Krol 2 days ago. He was under the impression that officials of the Polish Government and of the hierarchy were meeting today to see if they could finally sign the final agreements.

The CHAIRMAN. In the event of Polish Government interference, how is the Polish church likely to handle pressures from the population or from within the church itself that partial foundation autonomy is better than none in the interests of getting some Western assistance for Polish agriculture?

Bishop ABRAMOWICZ. I could not answer that except that knowing that the church has through all of these years managed to get its point across, it would succeed here also.

The CHAIRMAN. Ms. Lenard, have you had a chance to get any feedback yet from people in Poland on their attitude toward the United States in, let's say, this year for instance? Are they resentful of U.S. sanctions as adding to their problems or pleased at our symbolic protest against their government's policies?

How widespread is knowledge in Poland at the proposed Western agricultural assistance, and what are Polish attitudes toward it, if you have had any reports?

Ms. LENARD. Mr. Chairman, perhaps I am not diplomatic enough to answer your complete question. However, as you know, the Polish people look to the United States and place their faith in our great country. The sanctions imposed were a hardship on many people in Poland, but they do not hold resentment toward our Government and understand that this was a necessary step. Hopefully, the conditions in Poland will soon change and there are hopes that things will return to normal. I must mention again, the people of Poland place all their faith in the United States and accept our actions to be correct for Poland.

The CHAIRMAN. I ask this to any of you.

What is your sense of the scale of the contribution that the pilot project itself could make beyond being a test for a larger program to agricultural productivity in Poland?

Do you think it can be a real spur to agricultural productivity in the private sector, and maybe even go to the collective farm?

Bishop ABRAMOWICZ. It definitely will.

In our last trip to Poland for 10 days, we were there at harvest time. It is amazing what they were able to do with a horse, wagon and just manual labor. What they did resent was this: for instance, the only machines for baling hay were owned by the government, and they would have to travel 20 miles to this place to get their stuff baled. They were hoping that this sort of monopoly would be broken by small or little clusters of farmers doing their own thing.

The CHAIRMAN. Let me ask one last question. I am sure that this will be raised and we will all have to address ourselves to it, all of us who are sponsors of this idea and this project.

What should our reply be to someone who claimed that by aiding Polish agriculture what we are really doing is just helping a corrupt regime by relieving it of the problem of adequately feeding its people?

We always get into this question. Every time we do anything like that we are asked what are we doing to help the Polish Government. I had it when I sponsored, supported the idea that Poland

ought to be a member of IMF. It ought to have the discipline imposed on it that other governments are getting imposed on them. I had some say why should an international organization help. But I was very reassured when the American Polish Congress supported that concept and idea, and that seemed to help a great deal, answered the question that was skeptically raised by some people at that time.

Bishop ABRAMOWICZ. Senator, it is that there is a program that is not helping the government but is a humanitarian thing that is better than a dole because the same person who makes this objection is the same person who is going to go out and buy food for the people of Poland.

What we are doing is telling the Polish person, here is the wherewithal; raise your own food.

The CHAIRMAN. I would like at this time to insert a statement into the record for Senator Pressler, who regretfully could not be here with us today. He wanted very much to be here but he was detained by other official business.

[Senator Pressler's prepared statement follows:]

PREPARED STATEMENT OF HON. LARRY PRESSLER

I want to first thank the witnesses for testifying. Due to the political and economic situation in Poland, the granting of U.S. foreign aid is a very complex and controversial issue.

I recently spent several days at the South Dakota State Fair, visiting with hundreds of farmers and ranchers. Many farmers told me of the severe financial troubles they are having and made a plea for some type of Federal assistance. Since that time, the President has announced a new farm debt restructuring program which will help some of these farmers. But another issue that many farmers brought up was the proposal to provide aid to farmers in Poland. The usual comment was: "Why does the government give grants and aid to Poland's farmers while farmers and ranchers in the United States are going out of business every day?" I found this question very difficult to answer.

I know that in respect to the total U.S. agricultural program, the $10 million in proposed aid to Poland is a very small percentage, but the fact that we are providing aid to foreign farmers is unpopular in the farm community. This program will not be popular with hardpressed American farmers. This is especially true in light of the losses farmers have suffered in recent years from foreign policy decisions such as the 1980 grain export embargo.

The CHAIRMAN. He asks three questions, and perhaps, Bishop, you could just respond briefly to it, and then we would give the questions to you so that you could expand on it if you wanted to.

First, how do I respond to South Dakota farmers who ask me why we are helping farmers in Poland when hundreds of farmers in South Dakota and across America are being forced out of business?

Bishop ABRAMOWICZ. I can't answer that because I don't know that they are being forced out of business, or is it a new form of capitalistic farming?

The CHAIRMAN. How can we be sure that the aid will actually go to the farmers who need it, and to private farmers?

Reverend MYTYCH. Senator, I might answer that, and it comes from the basic thesis in my presentation. The church is placing its own credibility as the backstop and the support of this program. The church is guaranteeing that it will be honestly and properly administered.

The CHAIRMAN. This last question I will partially answer myself, and if you would like to expand on it, fine.

How do I respond to a farmer who asks me why we provide grants to Poland's farmers when U.S. farmers have a difficult time obtaining loans that they must repay at excessively high interest rates?

That can be used any time we offer military or foreign assistance of any kind abroad. You will always find someone in this country that has a need. Why not guarantee everyone's income in this country? Well, you cannot do it, and we have a world position to maintain as the leader of the free world to help the free world. You cannot live in a world by yourselves, and certainly the President's answer just 2 days ago—I was with him when he announced it—of extended credits, longer term payments on principal and 90 percent guarantees through nongovernmental financial institutions will provide a tremendous answer for the Illinois farmer and for the South Dakota farmer and for farmers all over the country of urgent help that the administration is now providing.

Is there anything beyond that that you would like to add?

If there is, we will keep the record open.

Reverend MYTYCH. Senator, the accoutrements of farming are going to produce food for the people of Poland, not for export basically to the world market.

Second, the provision of farm equipment, supplies and everything else opens up to our farming community another vista for productiveness, and in that way we are helping the American farmer, the American farm industry and all other related bodies that are engaged in agriculture.

The CHAIRMAN. I want to thank you very much for appearing today before the Foreign Relations Committee as our public witnesses and to present your views. Your views have been helpful, thoughtful. They will benefit this committee and the Senate as we move forward on passing this important bill.

Because I believe that all members of the committee and the Senate should have the benefit of your views, I am inserting the full texts of your remarks in the Congressional Record immediately following this hearing, and they will therefore be printed and available tomorrow.

This bill is designed to assist Polish farmers. The farmers will receive help, and they will be better able to feed the Polish people. So in a direct way this people is benefiting the people of Poland. The Polish Catholic Church will administer the funds with the full support of Pope John Paul II so we can have no doubt that the U.S. contribution will be well spent in serving the Polish farmers and the Polish people. That will serve U.S. interests in Poland.

That is why I am steering this bill through the committee on behalf of the President and the farmers of Poland on an expeditious basis so that this Congress can act and we can get under way.

The time to act is now, and certainly through our communications with the people of Poland, we will let them know what has happened so that they can be encouraged by the fact that they have friends all over the world, but certainly particularly in the United States, and I might say, particularly in Chicago also, the second largest Polish city in the world.

Thank you very much.

Is there any further comment anyone would like to make?

If there is no further comment, then the hearing is adjourned.

[Whereupon, at 3:35 p.m., the committee adjourned, subject to call of the Chair.]